

*NAMI-NEW MEXICO  
REPORT TO THE BEHAVIORAL HEALTH SUBCOMMITTEE  
AUGUST 19, 2011 – LAS CRUCES, NEW MEXICO*

*SUBJECT: OPTUMHEALTH SINGLE ENTITY CONTRACT*

*NAMI HAS EXPERIENCED A POSITIVE RELATIONSHIP WITH THE SINGLE ENTITY CONTRACTORS INCLUDING, VALUEOPTIONS AND OPTUMHEALTH THROUGH THEIR GENEROUS CONTRIBUTIONS TO OUR FUNDRAISERS AND BY MAINTAINING CONSUMER REPRESENTATION IN THEIR ORGANIZATION. OPTUM AND OTHER BIDDERS FOR OUR BEHAVIORAL HEALTH CONTRACT HAVE DONATED FUNDS FOR SOME OF OUR EDUCATIONAL GROUPS AND WE WOULD LIKE TO EXPRESS OUR APPRECIATION FOR THEIR GENEROSITY.*

*NAMI'S IS RESPONSIBLE TO ADVOCATE AND SUPPORT POLICY FOR INDIVIDUALS WHO SUFFER WITH MENTAL ILLNESS. WE ARE THEIR VOICE AND ANSWER ONLY TO THESE NEEDS. OVER THE PAST YEAR WE HAVE EXAMINED THE OPTUMHEALTH CONTRACT AND RESPONSE TO NEW MEXICO'S REQUEST FOR PROPOSAL. WE HAVE MET WITH SEVERAL STAKEHOLDERS IN THE NM SYSTEM OF CARE TO CONSIDER SOME OF THE CHALLENGES AND STRENGTHS OF THE NEW MEXICO BEHAVIORAL HEALTH SYSTEM AS IT RELATES TO BUSINESS WITH THE SINGLE ENTITY. WE HAVE MET PERSONNALLY WITH:*

- ADMINISTRATORS FROM THE STATE HOSPITAL (NEW MEXICO BEHAVIORAL HEALTH INSTITUTE)*
- NEW MEXICO YOUTH ALLIANCE*
- RIO GRANDE BEHAVIORAL HEALTH (ROQUE GARCIA)*
- WE HAVE LOBBYED AT THE STATE LEGISLATURE AND MET WITH NUMEROUS STAKEHOLDERS OF BEHAVIORAL HEALTH and*
- HUNDREDS OF CONSUMERS AND FAMILY MEMBERS ACROSS THE STATE*

*THE FOLLOWING IS A SUMMARY OF OUR OBSERVATIONS AND COMMENTS:*

- PROVIDERS AND HOSPITAL ADMINISTRATORS CONTINUE TO EXPERIENCE INCREASED ADMINISTRATIVE COSTS TO FILE CLAIMS, APPEAL FOR DENIED CLAIMS, MANAGE CLINICAL TRIGGERS AND RECONCILE THEIR INTERNAL CLAIMS RECORDS WITH OPTUM*

*HEALTH. THIS IS A CONSTANT THEME THROUGHOUT THE STATE. THE BURDEN OF WORKING WITH THE OPTUMHEALTH CLAIM SYSTEM, EVEN WITH THE MONITORING REQUIREMENTS IMPOSED BY THE STATE HAVE REPORTEDLY INCREASED ADMINISTRATIVE BURDENS TO PROVIDERS BY 17 TO 22%.*

- Optum, in its RFP response assured New Mexico that they had the capacity and infrastructure to manage the claims system in New Mexico, they did not.*
- The Behavioral Health Collaborative Management assured New Mexico that they had tested and agreed that the Optum claims system was working and ready for implementation on day one of their contract. They did not test, according to what was reported to us, and the legislature was forced to intervene under political pressure.*
- The Collaborative sanctioned Optum \$2million dollars for non-compliance and required Optum to reimburse providers this money for failure to process claims. However this is an example of what was reported to NAMI:*

*One provider received \$685 of the \$2million from Optum but their increase in Administrative costs was over \$32,000. And these costs are taken from direct care which reduces the service capacity of all providers*

- Optum paid out "Expedited Payments" during 2009 because they were unable to process claims correctly but then had to reconcile the "Expedited Payments" and this process cost additional financial burdens and confusion to providers, state personnel and cost the system thousands of dollars for consultants to correct the problems this created.*
- NAMI has been told that Optum has gone back to 2009-2010 to recoup overpayments of general fund dollars because they could not prevent their system from overpaying providers on capitated contracts. We believe that Optum should not be allowed to recoup any more money but should be responsible for their mistakes and pay from the administrative dollars that they have received.*
- Optum then implemented clinical triggers on outpatient services with little or no regard to the extensive hardships on consumers and providers. NAMI took a strong position on this issue and submitted a letter to Secretary Squire on behalf of consumers and providers. A copy is included. As of today, providers report that they still have not been paid for the services they provided although reports about correcting the problem have been made publically.*

- *Providers report that they have been invited to participate with Optum on various committees, but stakeholders reported to us that the committees appear superficial and we found that some of the people we talked to did not find them helpful, but only beneficial to a select few providers. Some reported anger that their participation was inaccurately reported when the clinical trigger issue was presented.*
- *NAMI is also disappointed that in the Optum RFP they promised to implement crisis response teams throughout the State but this promise was never executed. This issue continues to be a priority for NAMI and we have not found that this has been accomplished.*
- *NAMI has observed that there are some improvements in the claims processing. The burden for reconciliation continues to rest on the providers*

*WE THANK THE COMMITTEE FOR INCLUDING US IN THIS PRESENTATION, AND APPRECIATE THE COMPLEXITY OF THE WORK REQUIRED TO IMPLEMENT THE NEW MEXICO DESIGN FOR BEHAVIORAL HEALTH. WE UNDERSTOOD THAT THIS WAS A TEN YEAR PROCESS, BUT THE TRANSITION AND CHAOS CREATED IN THE MIDDLE OF THIS WORK BY CHANGING ENTITIES HAS CAUSED US TO GO BACKWARDS INSTEAD OF FORWARD. IN OUR OPINION WE ARE ONLY 3 YEARS INTO WHAT SHOULD HAVE BEEN A 7 YEAR ACCOMPLISHMENT TOWARD A 10 YEAR MODEL.*

*THANK YOU,*

*Patsy Romero, Co-Chair/Treasurer NAMI NM*

